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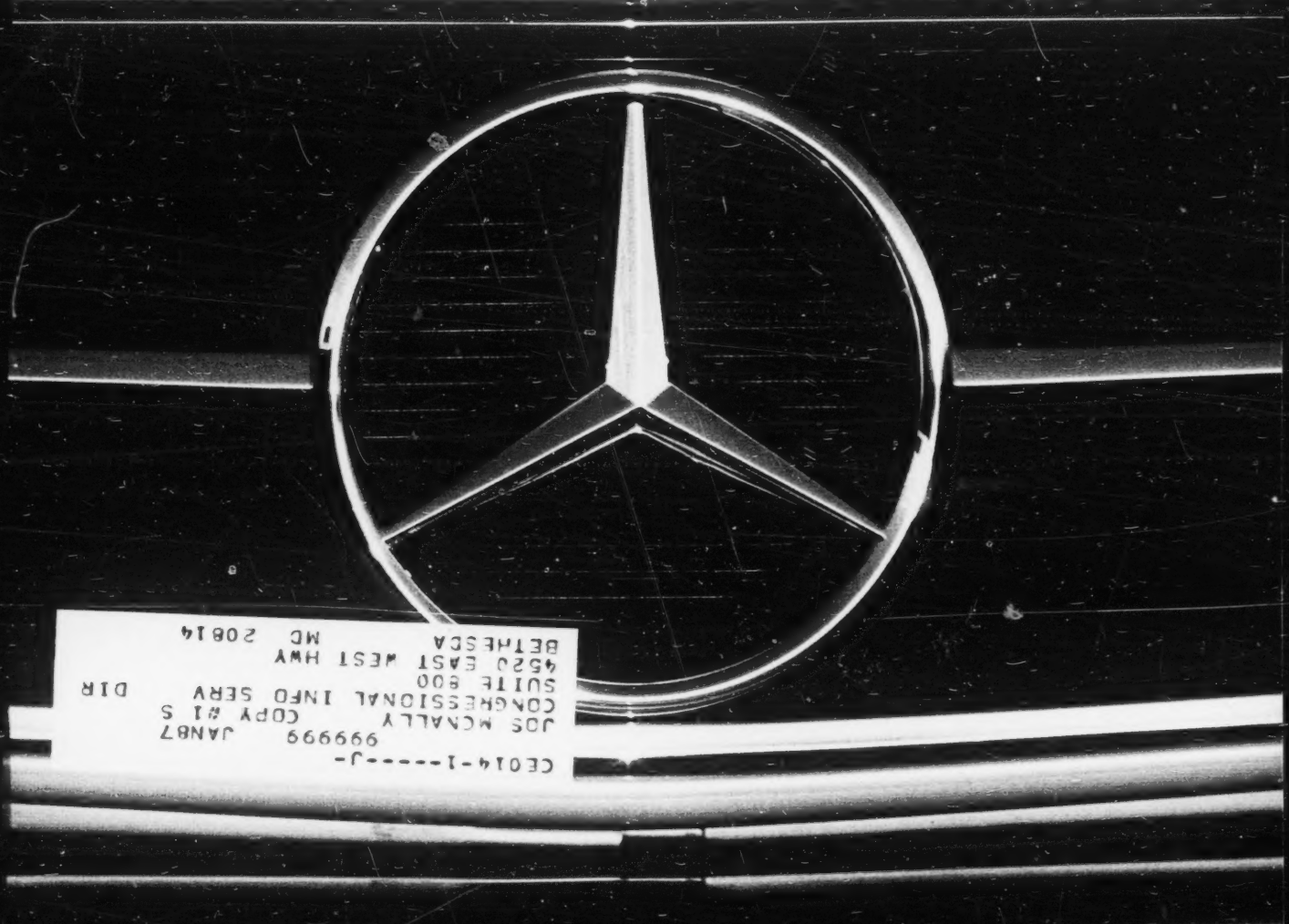
CHILTON'S
JANUARY 1986

AUTOMOTIVE INDUSTRIES

SINCE 1895

WHO BUILDS CARS BEST?



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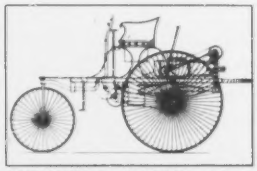
JANUARY 1986 VOLUME 166, No. 1

CHILTON'S AUTOMOTIVE INDUSTRIES

COVER STORY

30 WHO BUILDS CARS BEST?
The people who build cars in North America doff their hats to the firstest with the mostest...again.



Who Builds Cars Best? The company that built them first, of course. Carl Benz' first patented vehicle (shown) Cover: Today's model, the 500SEC

FEATURES

34 MEDIUM & HEAVY TRUCK MERGERS CENTERSPREAD
Who's doing what and how heavy with who else.

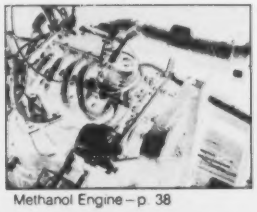
38 GM READIES METHANOL ENGINES
Cost estimates to convert existing engines are $100-$200.

40 CHRYSLER'S SHOWCASE STERLING HEIGHTS PLANT
But can it compete with its international competition?

44 FORD'S BEST-IN-CLASS 100
FoMoCo aims future products at the world's best car features.

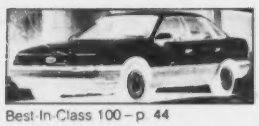
48 OLD'S 16-VALVE FOUR REVEALED
Meet the Screamin' Quad 4, Oldsmobile's prime mover for the '90s.

50 FORD'S NEXT CENTURY MODEL T
Petersen's boys dream of the future with the T-2008.



Methanol Engine – p. 38

Sterling Heights – p. 40



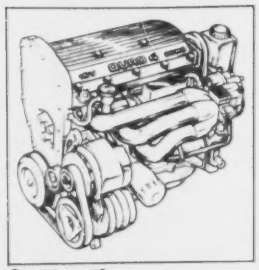
Best-In-Class 100 – p. 44

NEWS

Newsline: Count The Innovations 7

Marketdata: 14th Floor Wakeup Call. 15

News: GM's $5 Billion Plant Investments 19



Quad 4 – p. 48

DEPARTMENTS

Editorial: Our New Look 5

Callahan's Auto Report: Suppliers Gird For Survival 17

Managing for Quality: First Time Quality Capability 25

Labor: New Labor Relations? 27

AIAG: Deming Surrogate Now At Ford 53

Materials GM Wins Plastics Prize 53

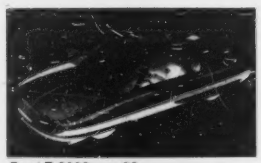
Computer Technology Lasers And Epoxy At Budd 56

Technolog: Lost Foam Casting 61

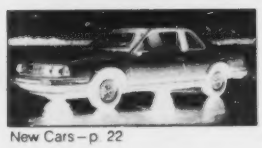
New Products Functional Test System 62

Technical Literature Steel Line Info 64

Letters/Spyflash! APICS Responds 68



Ford T-2008 – p. 50



New Cars – p. 22

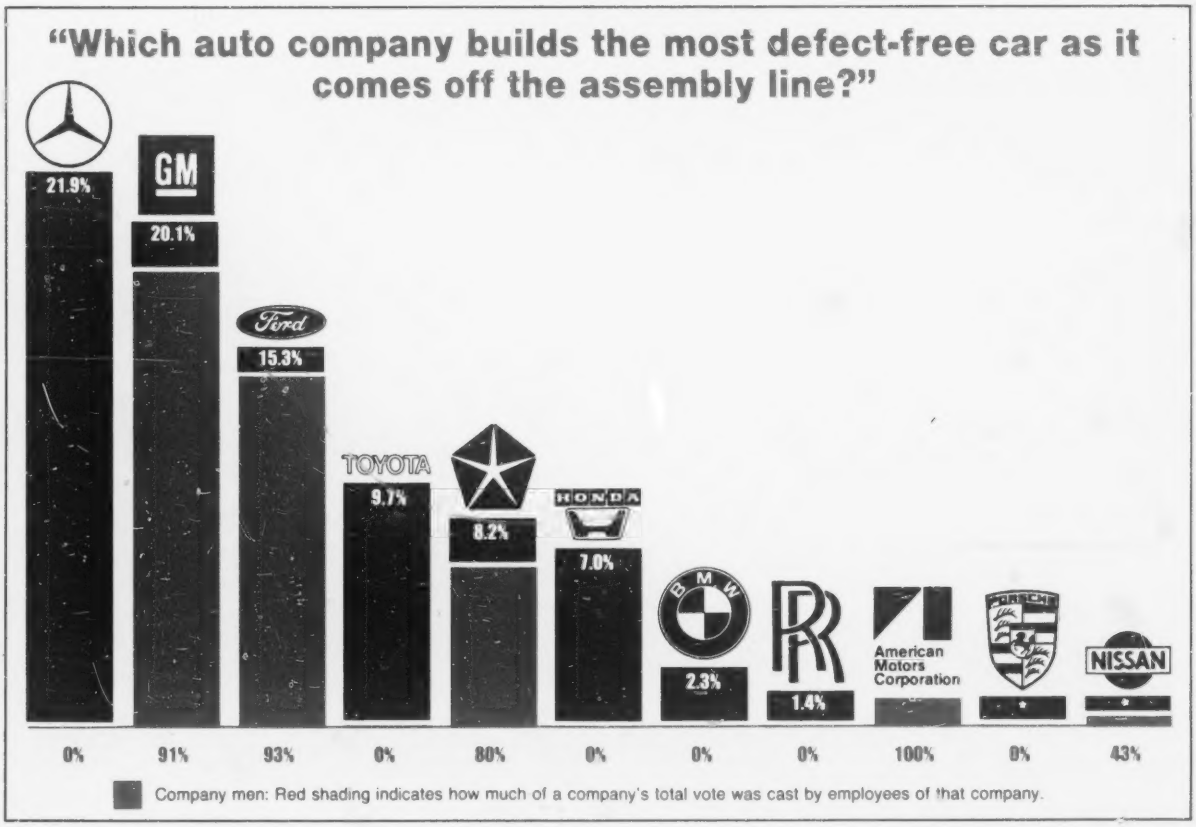
AUTOMOTIVE INDUSTRIES (ISSN 0273-656x) magazine is published monthly by Chilton Co., Chilton Way, Radnor, PA 19089. Chilton Company is a division of American Broadcasting Companies Inc., New York, NY. Subscription rates and single copy prices on request. Second Class Postage paid at Wayne, PA 19087 and additional mailing offices. POSTMASTER: Send address changes to AUTOMOTIVE INDUSTRIES, P.O. Box 1441, Riverton, NJ 08077. Chilton Company, 1985. Permission to photocopy for internal use or the internal use of specific clients is granted by Chilton Company for libraries and other users registered with the Copyright Clearance Center (CCC), provided that the base fee of $1.00 per copy of the article, plus 25¢ per page is paid directly to the CCC, 21 Congress St., Salem, MA 01970. Special requests should be addressed to The Editor. (0273-656x/85 $1.00 + 25¢)

ONE OF THE ABC PUBLISHING COMPANIES

WHO BUILDS CARS BEST? WHO ELSE!

The people who build cars in North America doff their hats to the firstest with the mostest...again.

by Lance Ealey and Lindsay Brooke



For the second year running, the people who build cars in America said Mercedes-Benz builds the most defect-free cars as they roll off the assembly line. Mercedes received 21.9% of the vote, or 122 out of 557 responses to this year's survey. Last year M-B netted 26.8% of the vote (See Jan. '85, p. 32).

Typical reasons individuals gave for voting for M-B included this from a GM manufacturing supervisor: "The Mercedes is virtually defect-free. Paint is sharp; overall fit appearance is excellent; plant damage is minimal."

As happened last year, GM and Ford finished second and third, mostly on the strength of votes cast by their own employees (see "Company men" section of main chart).

If the "company men" bias is removed, the order becomes Mercedes-Benz first, Toyota second and Honda third. Our survey went to car manufacturing and production executives, managers, engineers and technicians in North America.

People Problems

This year, we asked those surveyed to list their number one quality problem. At GM and Ford, employees including absenteeism and training were seen as the major stumbling block to improved quality. As one GM industrial engineer put it, "Assembly operators making +$23.00/hr flat out don't do their jobs right! Their attitude of 'Let repair get it' is absolutely ridiculous."

On absenteeism, a Ford superintendent wrote, "Nobody performs the

GM's Twelve Biggest Quality Problems

GM employees answering the question "What is your biggest quality problem?" listed the following:

Employees[1]	19.2%
Suppliers/Vendors	16.6%
Management	11.4%
Paint	11.4%
Fit & Finish	9.6%
Engineering/Design	9.2%
Conformance To Spec	9.2%
Metal/Steel	5.7%
Electrical	2.2%
Equipment Maintenance	1.7%
Assembly	1.7%
Quanity vs. Quality	1.7%

[1]—includes absenteeism and training.
Total may not be 100% due to rounding.

Ford's Ten Biggest Quality Problems

Ford employees answering the question "What is your biggest quality problem?" listed the following:

Employees[1]	18.5%
Suppliers/Vendors	13.8%
Paint	13.8%
Fit & Finish	12.9%
Electrical	10.1%
Engineering/Design	7.4%
Metal/Steel	7.4%
Conformance To Spec	5.5%
Engine/Performance	5.5%
Equipment Maintenance	4.6%

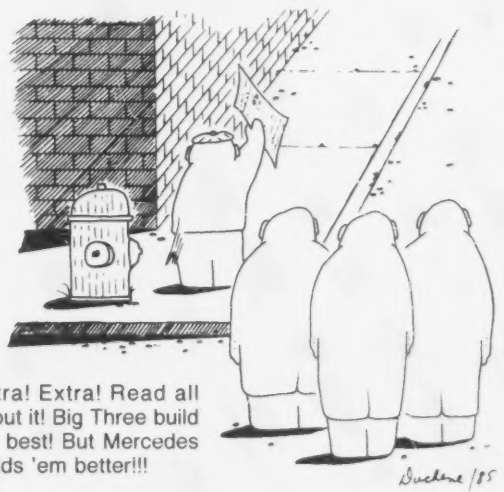
[1]—includes absenteeism and training.
Total may not be 100% due to rounding.

Chrysler's Seven Biggest Quality Problems

Chrysler employees answering the question "What is your biggest quality problem?" listed the following:

Vendors/Suppliers	32.6%
Fit & Finish	18.4%
Employees[1]	12.2%
Paint	12.2%
Conformance To Spec.	10.2%
Metal/Steel	10.2%
Engineering/Design	4.0%

[1]—includes absenteeism and training.
Total may not be 100% due to rounding.



Extra! Extra! Read all about it! Big Three build the best! But Mercedes builds 'em better!!!

job with the same finesse as the regular, trained operator."

Perhaps summing up the people problem best was this comment from a Ford plant engineer: "No matter how you design, execute and plan a product, it can only be as good as the people who are building it. Employee involvement is the most important quality tool that has ever been introduced in the auto industry. It significantly improves morale and provides a line of communication from the line worker to management."

At Chrysler, the least vertically in-

(Continued)

Mercedes-Benz Celebrates 100 Years

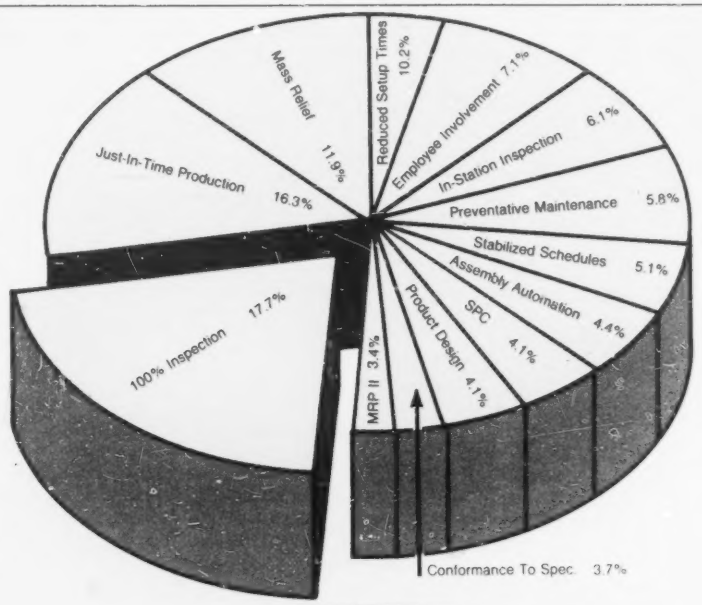
Daimler-Benz will celebrate the 100th anniversary of the patent of Carl Benz' motorwagen this January 29. The following comments are by Prof. Dr.-Ing. E.h. Werner Breitschwerdt, chairman of the Board of Management of Daimler-Benz A.G.

The special meaning that the centenary of the automobile has to us at Daimler-Benz goes beyond the length of our history and richness of our traditions. Rather, it comes from the goals of the two men who built the world's first automobiles, Gottlieb Daimler and Carl Benz, in their adherence to the highest possible engineering and quality standards.

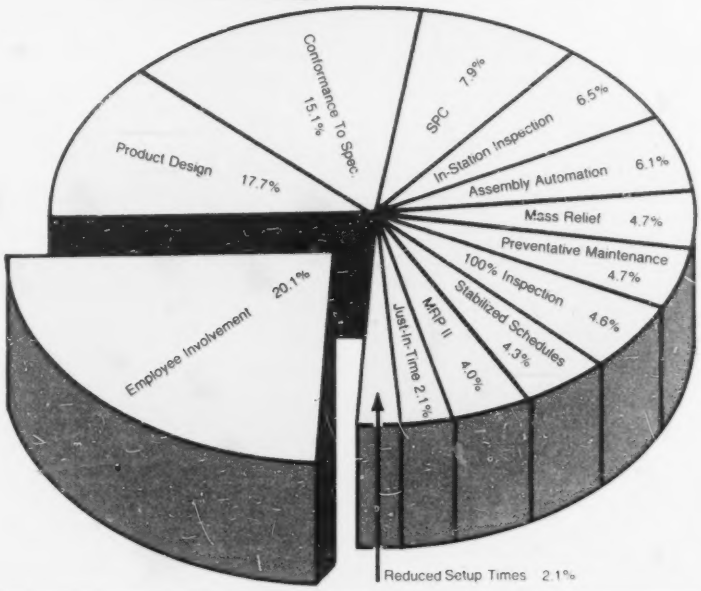
This striving for perfection by our founding fathers is still the guiding principle of our company, and will continue to be.

We are proud that this dedication has determined the good image and reputation of the Merecedes-Benz star and all the products carrying it worldwide. It also brings with it as a logical consequence—and as a sound basis for the progress of our company—the obligation to attain even higher standards in the next 100 years.

WHO BUILDS CARS BEST?



Which of the following has the LEAST impact on quality?



Which of the following has the MOST impact on quality?

tegrated of the Big Three with 70% of its parts and components outsourced, the top quality problem was with—you guessed it—vendors/suppliers.

Said one Chrysler operations manager: "Vendors do not see themselves as part of the team."

A Chrysler quality manager adds, "Components are bought on a lowest price basis: Quality suppliers are not always awarded component business due to price considerations, and thus quality is compromised."

Vendors/suppliers ranked second as a quality problem at both GM and Ford.

Upper Management Blasted

Upper management also got blasted as a source of quality problems. Penned one senior GM engineer, "They haven't changed their old way of operating—fear, fear, fear."

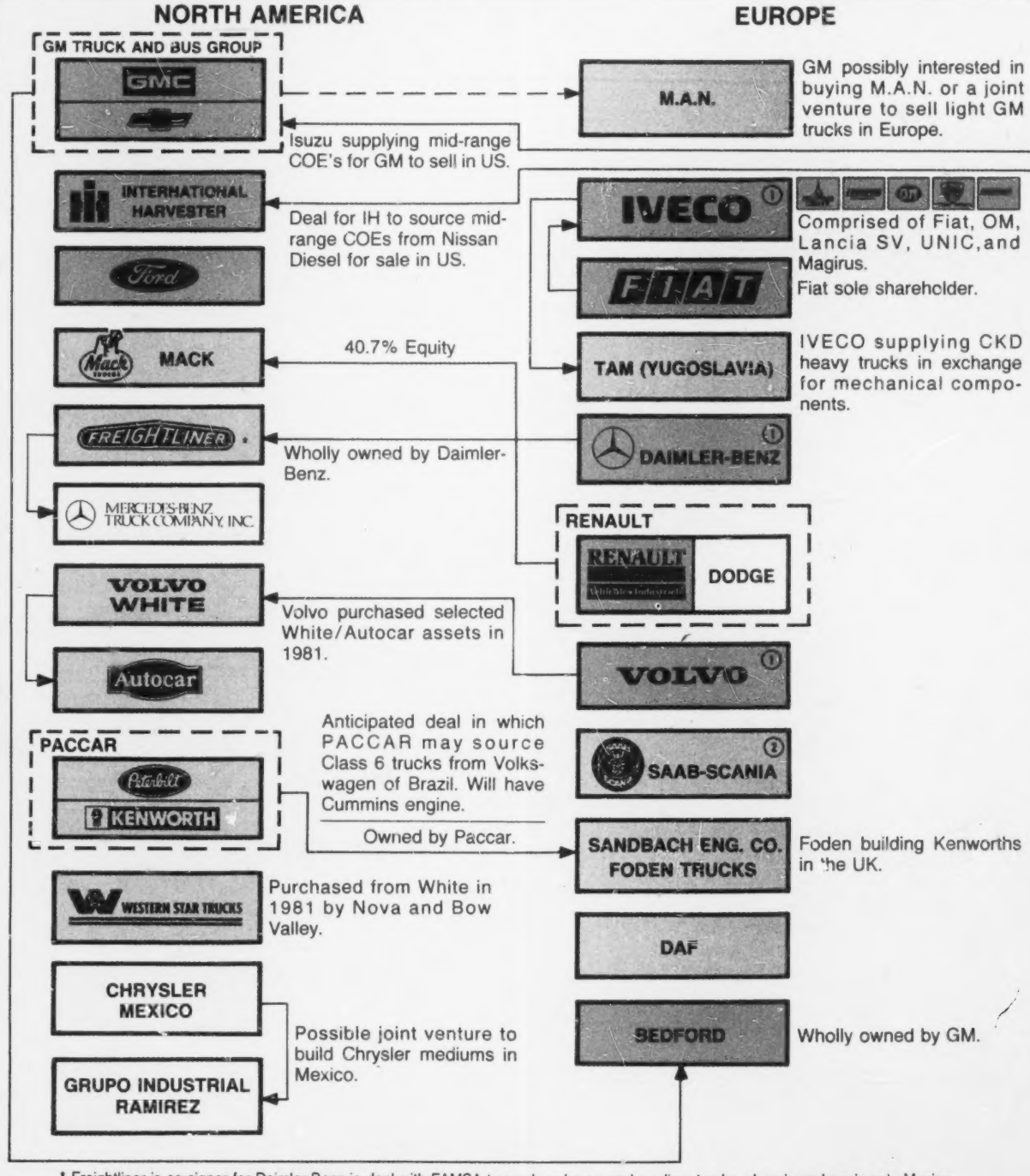
GM was also blasted for all of the loose strings left by the reorganization.

"During the reorganization, many responsibilities have been shifted," writes one GM general supervisor. "Some departments are overloaded due to jobs being shifted without appropriate manpower shifts, and some jobs have fallen through the cracks." The company, he writes, is "moving too fast without adequate planning." AT

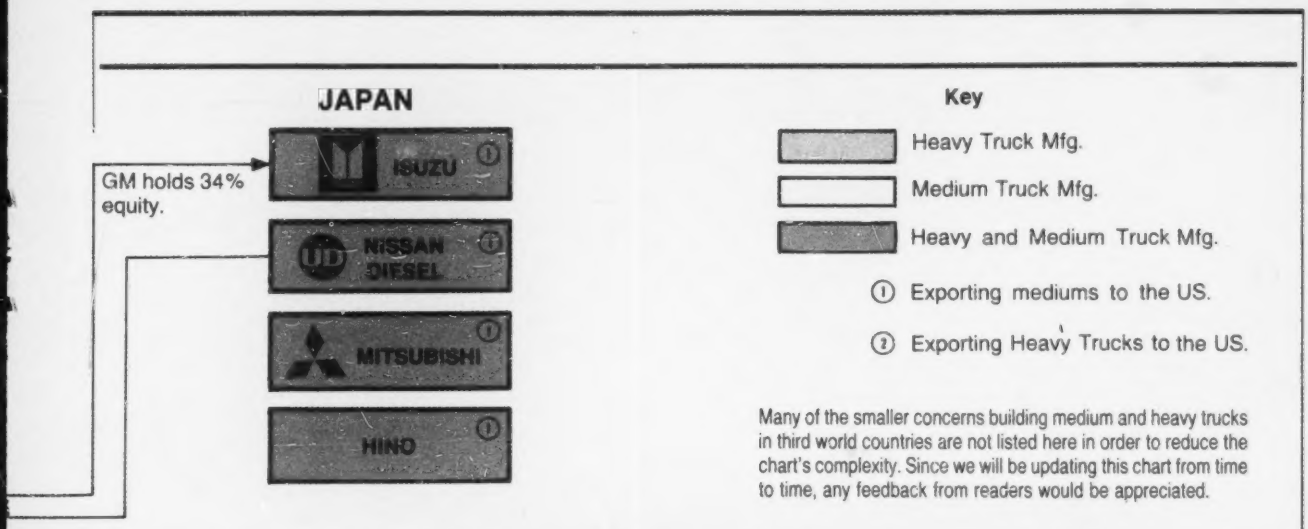
GLOBAL TRUCK MERGERS

MEDIUM AND HEAVY-DUTY TRUCK JOINT VENTURES AND MERGERS

A look at what's happening in the medium and heavy truck markets.



* Freightliner is co-signer for Daimler-Benz in deal with FAMSA to produce heavy and medium trucks, chassis and engines in Mexico.



Many of the smaller concerns building medium and heavy trucks in third world countries are not listed here in order to reduce the chart's complexity. Since we will be updating this chart from time to time, any feedback from readers would be appreciated.

Main Heavy Truck Contenders on World Market
(Class 8—Units/Production)

	1983	TOTAL	1984	TOTAL	1985	TOTAL
Daimler-Benz	46,978	58,750	38,366	58,346	36,000	55,500
Freightliner	11,772		19,980		19,500	
Renault	16,952	31,145	15,724	44,798	17,000	44,000
Mack	14,193		29,074		27,000	
Volvo	23,395	28,516	23,865	33,764	28,000	38,500
White	5,121		9,899		10,500	
International Harvester		21,317		35,681		32,000
Kenworth	9,349	17,852	15,718	30,360	12,500	23,500
Peterbilt	8,503		14,642		11,000	
Saab-Scania		16,743		22,100		23,000
Hino		14,978		21,080		19,000
Mitsubishi		15,250		20,483		20,000
Nissan		15,718		19,062		15,000
Ford		9,070		18,845		21,000
Chevrolet	561	9,040	893	18,025	1,000	15,000
GMC	8,479		17,132		14,000	
Isuzu		15,488		17,360		15,000
Iveco		19,848		16,556		18,000
M.A.N.		11,329		11,154		14,000
TOTAL		285,044		367,614		353,500

1983-84 Source: PRS Consulting Group Inc. 1985: AI Estimate